GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2314
ANSWERED ON:01.08.2016
Loan for Exporters
Venugopal Dr. Ponnusamy

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Ministry of Commerce and Industry wants the Central Bank of the country to use a part of its foreign exchange reserves to give long-term loans at low interest rate to the Exim Bank of India, which can pass on to exporters at lower rates than bank credits;
(b) if so, whether the Ministry of Commerce has taken up this issue with the Minister of Finance and if so, the details thereof and the response of the Finance Ministry thereto; and
(c) whether it is likely to help reduce the costs and enhance the competitiveness of exporters at a time of global trade slowdown and weak demand overseas and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (c): Reserve Bank of India(RBI) was requested to earmark a portion of its foreign exchange reserves to Exim Bank for project export finance. At the request of Department of Commerce, Ministry of Finance also took up the matter with RBI. RBI offered that a portion of the unutilised amount sanctioned to India Infrastructure Finance Company Limited (IIFCL) could be utilised as a long term loan to Exim Bank. However, IIFCL indicated that it had committed the entire funds to its borrowers and that there would not be any residual or unutilised amount which could be offered to Exim Bank.
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